

FOUR PREFERRED LEGAL FORMS OF BUSINESS

Descriptions, Advantages

	Sole Proprietorship	Partnership	Corporation	Sub-S Corporation
Ownership	By a single individual.	By two or more persons.	By unlimited number of shareholders.	By shareholders: number of shareholders limited to 35.
Business Registration (State Dept. of Commerce and Consumer Affairs)	Not required, unless public notice of trade name is desired.	Within 30 days after formation. File certificates of limited or general partnerships.	File Articles of Incorporation. For non-Hawaii corporations, file Declaration of Foreign Corporation and Certificate of Good Standing.	Same as regular corporation.
Management	Entirely in hands of owner.	By general partners.	Corporation's board of directors.	Same as regular corporation.
Life	Will terminate with death or disability of owner.	Generally for a specific agreed-upon term. Partnership may be terminated by death, withdrawal, insolvency, or legal disability of a general partner.	Unlimited, unless by state law or charter.	Same as regular corporation.

Ownership

Business Registration

Management

Life